



**PROGRESS REPORT
2013**

INVESTING IN A STRONGER RURAL ECONOMY



USDA RURAL DEVELOPMENT
NEBRASKA

USDA RURAL DEVELOPMENT IN NEBRASKA

Committed to the Future of Rural Communities

Each day, assistance from the U.S. Department of Agriculture (USDA) makes a difference in the lives of the proud men and women who live, work, and raise their families in rural America. USDA supports the housing, community facilities, businesses, infrastructure, and renewable energy investments that help to make rural America a place of opportunity, innovation, and economic growth.

Over the past five years, the Obama Administration and USDA have worked tirelessly to bolster economic development in our rural communities. In fiscal year 2013 alone, USDA's Rural Development provided more than \$33.3 billion in assistance through its more than 40 loan, grant, and technical assistance programs.



Tom Vilsack
Secretary of Agriculture

With a portfolio of more than \$193 billion in loans and loan guarantees, USDA Rural Development is making lasting investments in rural communities through investments in core community infrastructure, such as developing or building: improved telecommunications services; clean water supplies; safe, affordable housing; hospitals, clinics and schools, and providing the technical assistance and financing for business creation and expansion.



Doug O'Brien
USDA Rural Development Acting Under Secretary

Nebraska's rural communities have a vibrant future and USDA Rural Development is pleased to be able to support job creation, home ownership and the improvements to infrastructure that support that vitality. In 2013, more than \$244 million was invested in rural Nebraska, bringing the five year total to \$1.25 billion. It is a pleasure for Nebraska's 50 Rural Development employees to serve our citizens and to help make essential projects a reality, from water and waste water installations to homeownership by more than 1,200 families.



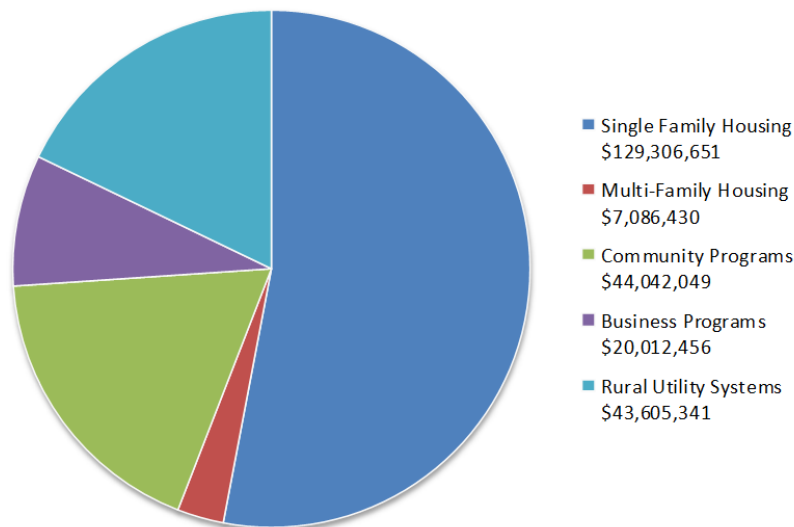
Maxine Moul
USDA Rural Development State Director



2013 PROGRESS REPORT

USDA Rural Development Funding Activity - Nebraska 2013

In 2013, USDA Rural Development Invested \$244 Million in Rural Nebraska



USDA Rural Development

Making an Impact in Rural Nebraska Communities

Assisted **153** businesses, **75** ag producers, **four** cooperatives. Created or saved **258** jobs in rural Nebraska.

Provided financial assistance to **21** rural Nebraska communities by providing nearly **\$31.2** million in financing for essential community facilities.

1,299 Nebraskans became homeowners through Guaranteed Rural Housing and Direct Rural Housing Loan Programs.

Three ESU's received \$1.2 million to expand distance learning capabilities.

11 rural communities benefitted from enhanced water and sewer system

infrastructure with nearly \$12.9 million in funding.

Invested nearly **\$37.2 million** in electric loan assistance for rural Nebraskans.

Hartington Telecommunications Co., Inc, will use a **\$5.3 million** loan to serve customers with a state-of-the-art system.

BUSINESS AND COOPERATIVE PROGRAMS

Investing in Rural Businesses



Laurel BioComposite, LLC
Laurel, Nebraska is a
USDA Business and Industry
Guaranteed Loan Recipient.



BUSINESS AND COOPERATIVE PROGRAMS

Helping community leaders identify ways to improve economic opportunities in rural America is a leading emphasis at USDA Rural Development.

Through a variety of job-creation programs, the agency partners with private and community-based organizations to create and preserve quality jobs in rural communities and move America forward.

USDA Rural Development's Business and Industry (B&I) guaranteed loan program helps back the business of rural America by providing protection and incentives to lenders. In turn, businesses benefiting from a loan guarantee have a better chance of receiving the financing and terms they need so they can thrive.

USDA Rural Development has a long-standing initiative that assists rural electric and telephone cooperatives and community development organizations in their efforts to improve the rural economy.

The agency also assists small businesses and producers through its Rural Energy for America Program (REAP) that provides financial assistance when energy-efficiency improvements are made to reduce energy costs or when renewable energy systems such as wind turbines, geothermal and solar are installed.



Elmwood Market opened its co-op grocery store thanks in part to assistance received from USDA's Rural Cooperative Development Grant Program.

BUSINESS PROGRAMS	2013
Advanced Biofuel Payment Program	\$3,374,309
Business and Industry Loan Guarantee (B&I)	\$11,897,500
Renewable Energy and Energy Efficiency Program (REAP)	\$1,826,217
Rural Business Enterprise Grants (RBEG)	\$269,000
Value Added Producer Grants (VAPG)	\$366,561
Rural Cooperative Development Grant (RCDG)	\$200,000
Rural Microentrepreneur Assistance Program (RMAP) Grant	\$80,869
Rural Economic Development Loan (REDL)	\$798,000
Rural Economic Development Grant (REDG)	\$1,200,000
TOTAL	\$20,012,456

COMMUNITY PROGRAMS

Investing in Rural Communities



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Architecture, Inc.; ©
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Community Hospital in
McCook, Nebraska received a
USDA Community Facilities
America Recovery and Rein-
vestment Act Loan and a Com-
munity Facilities Loan Guar-
antee.



COMMUNITY PROGRAMS

Our mission is to increase economic opportunity and improve the quality of life for all rural Nebraska residents.

The U.S. Department of Agriculture Rural Development's Community Programs offers direct and guaranteed loans and grants to finance and facilitate the development of more than 80 different types of essential community facilities, including water and sewer projects.

These include hospitals, nursing homes, health clinics, child care centers, police, fire or rescue facilities, equipment or vehicles, libraries and municipal or county buildings. Applicants must have the legal authority to borrow and repay loans, to pledge security for loans, and construct, operate, and maintain the facilities. They must also be financially sound and able to organize and manage the facility effectively.

Contact Rural Development for information about programs and advice on how to assemble information to determine engineering feasibility, economic soundness, cost estimates, organization financing, and management matters. We can also help with your application.



The Village of Walthill now has a new sewer treatment plant, including a new lift station, force main and two wastewater treatment lagoons that cover more than 18 acres. The system will allow for growth in the Village, which fits into its economic plan.

COMMUNITY PROGRAMS	2013
Tribal College Grants	\$125,549
Community Facilities Direct Loans	\$30,894,700
Community Facilities Grant	\$84,950
Economic Impact Initiative Grant	\$78,950
Water and Environmental Loan	\$9,816,000
Water and Environmental Grant	\$3,041,900
TOTAL	\$44,042,049

HOUSING PROGRAMS

Investing in Rural Housing



Chris Richardson and Amanda Schindler and family purchased their home in Elgin, Nebraska through the USDA Rural Development Guaranteed Housing Loan Program.



HOUSING PROGRAMS

While the past few years have been a financial challenge for many Americans, the goal of achieving the American Dream of homeownership remains strong.

USDA Rural Development has two low-interest, no-down-payment loan programs to help eligible families living in rural communities and areas purchase new or existing homes. Loans, and some grants, are also available to help families make needed repairs to their homes.

Homes must be located in rural communities. All communities in Nebraska are eligible for housing programs with the exceptions of Fremont, Grand Island, Hastings, Kearney, Lincoln, North Platte, Omaha and South Sioux City/Dakota City. See <http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do> for eligible areas. In most cases, a family of four with an adjusted annual income of up to \$74,750 may qualify for the agency's guaranteed home loan program. If that same family of four has an adjusted annual income of less than \$47,850, they may also qualify for a direct loan from the agency. These income limits increase in communities located near metro areas.

USDA Rural Development has financed 213 rural rental complexes that provide for more than 3,300 affordable rental units. Rent in the apartments is based on income, and rental assistance may be available depending on the income of the tenant.



A partnership renovated a former elementary school into affordable apartments for elderly and handicapped at East Ward Village Apartments in McCook, Nebraska.

HOUSING PROGRAMS	2013
Direct Single Family Housing Loans	\$4,804,119
Guaranteed Single Family Housing Loans	\$124,229,192
Single Family Housing Rehabilitation Loans and Grants	\$273,341
Guaranteed Rural Rental Housing	\$807,000
Multi-Family Housing Preservation and Revitalization (MPR)	\$80,000
Rental Assistance	\$5,811,536
Multi-Family Voucher Assistance Program	\$387,894
TOTAL	\$136,393,082

USDA RURAL DEVELOPMENT IN NEBRASKA

Success Stories

Laurel BioComposite LLC in Laurel, Neb.



Laurel BioComposite, LLC was formed in 2007 to become the first company in the U.S. to produce new products for use in the plastics industry. Its new plant converts Distillers Grain, a by-product of the ethanol process, into a product that replaces and/or enhances traditional petroleum-based resins in various plastics manufacturing processes.

Laurel BioComposite, LLC completed a private equity drive in July 2012 and raised nearly \$6.9 million toward the \$11.855 million needed to purchase equipment and provide start-up working capital to begin plant operations. In partnership with Security Bank in Laurel, NE, USDA Rural Development provided a \$5,000,000 guaranteed loan through the USDA Business and Industry (B&I) Loan Guarantee program to Laurel BioComposite, LLC to purchase equipment required for production and provide working capital during the first year of operation.

As a result of the B&I guaranteed loan with Security Bank in Laurel, NE, Laurel BioComposite, LLC currently is anticipated to begin full scale production in 2014 of its Bio-Res™ pellet and powder products which will bring their annual capacity up to 48 million pounds of finished pelleted product. Nine new jobs have been created.

Community Hospital in McCook, Neb.

Community Hospital is a Critical Access Hospital that provides acute inpatient and outpatient care, skilled nursing, emergency medicine, surgical, obstetrics and delivery, diagnostic, pharmacy and rehabilitation services.

The hospital serves 11,500 residents of Red Willow County as well as residents of Frontier, Furnas, Hayes, and Hitchcock counties in Nebraska; and Cheyenne, Decatur, and Rawlins counties in Kansas.

Community Hospital Association was provided \$35 million to renovate and expand the local hospital and increase its medical workforce to meet today's health care needs. USDA Rural Development provided a \$17 million loan through American Recovery and Reinvestment Act. Thayer County Bank of Hebron, Neb. provided a \$15 million loan backed by an USDA Rural Development guarantee. Thayer County Bank represents a group of Independent Community Banks in Nebraska which teamed up to provide financing for this project.

Previous hospital improvements totaled \$13.4 million from 1989 to 2007. Rural Development participated in several of those projects with \$5 million in loans.

Total USDA Rural Development funding, with the most recently completed additions and renovations, is about \$37 million.



Photo courtesy of HDR Architecture, Inc.; © 2012 HDR, Inc



2013 SUCCESS STORIES

McCook, Neb. East Ward Village Apartments; A Vision Becomes Reality

McCook, Nebraska was experiencing a shortage of affordable housing in the community, especially for the elderly and handicapped. A group of citizens and the McCook Housing Authority formed the East Ward Village, LLC and developed plans to convert the existing building and playground of the former East Ward Elementary School into affordable housing to meet the needs.

A USDA Rural Development Guaranteed Rural Rental Housing (GRRH) loan of \$705,000 provided the final piece of financing needed to make the East Ward Village Apartments a reality and to provide much needed affordable housing. Other leveraged funds utilized were from Low Income Housing Tax credits (LIHTC); Federal Home Loan Bank of Topeka, KS; City of McCook; McCook Housing Agency equity contribution; the borrower, East Ward Village, LLC. With the McCook Housing Agency as the lead, the partnership was able to complete the development and construction of the East Ward Village Apartments.

The partners were able to re-purpose an unused former grade school to convert the building into 15 rental units. The remaining land was used for six newly constructed duplexes for a total of 27 units.



East Ward Village duplexes in McCook, NE

New Homeowner in Plattsmouth, Neb.



Celebrating June Homeownership Month were, left to right, Megan's mother, Megan's two children, Megan Weatherby, State Director Maxine Moul and Marci Ankrom from Southeast Nebraska Community Action.

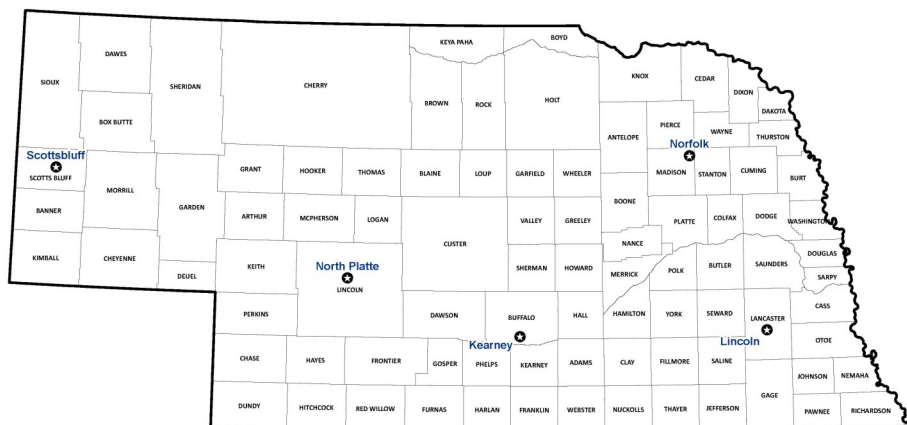
Megan Weatherby, a single mother of two children had been renting and was now in the market to purchase a home of her own.

In May 2013, USDA Rural Development provided Megan with a loan through the Direct Homeownership program. Southeast Nebraska Community Action (SENCA) subsidized a portion of the purchase through the SENCA Homes III program with gap financing. SENCA also provided a grant for repairs to the home.

With the partnership loans, Megan was able to purchase the home she had been renting and her family could continue to live in the neighborhood they had become accustomed to in Plattsmouth.

Weatherby said, "Being a homeowner to me means taking the first step towards your future. It means having a constant and safe place for my children to grow up." Weatherby continued, "I am very thankful to have had the opportunity to become a homeowner, the American dream as some call it, and to become part of the community."

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